

Brownfields Projects

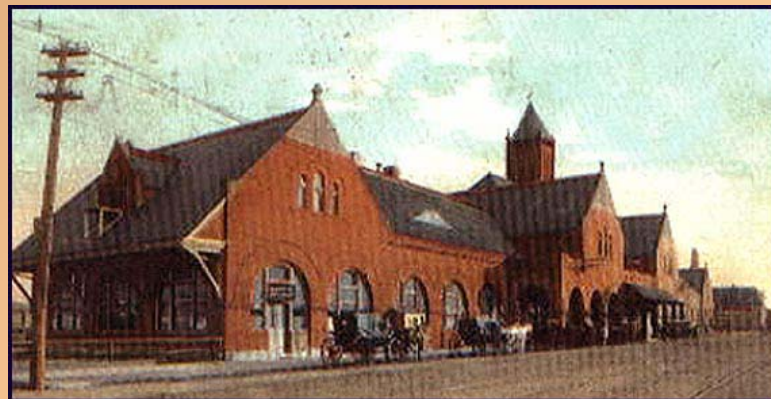


**Not The End Of
The Line ...**

**Working
Cooperatively
With Railroads
Through Incentive
Programs.**

The Brownfields Pilot: Riverfront Industrial Redevelopment Area

- EPA Brownfields Assessment Demonstration Grant
 - Awarded May 2000
 - FY 2001 use
- 244 acres along the Missouri River south of downtown
 - Rail corridors run the entire length
 - Former depot and roundhouse areas gone





Traditional Issues:

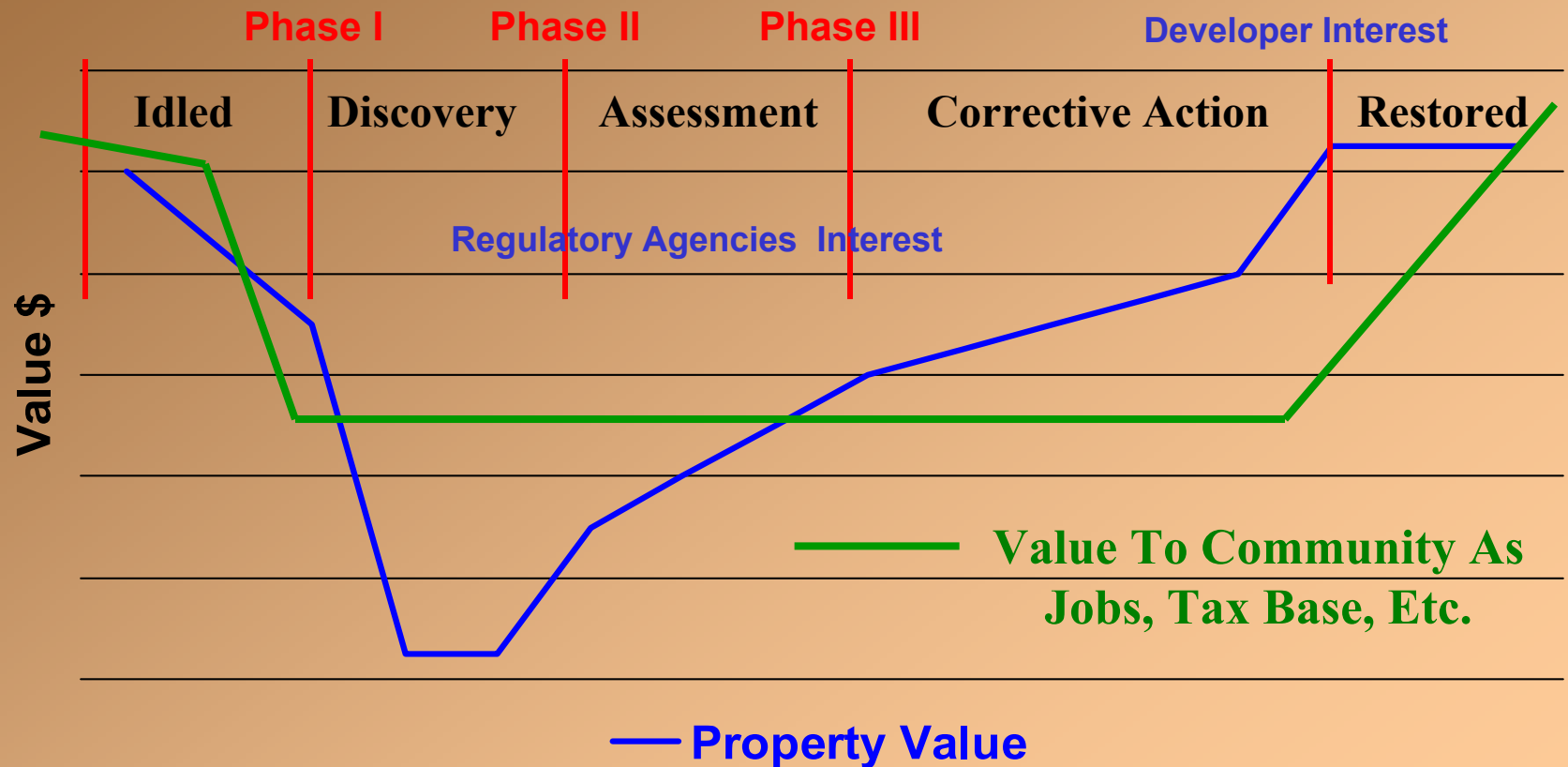
Environmental Acquisition Assessment

- City due diligence requires Phase I
- Phase II may be needed to clarify issues of Phase I
- Phase III may be needed to quantify risk



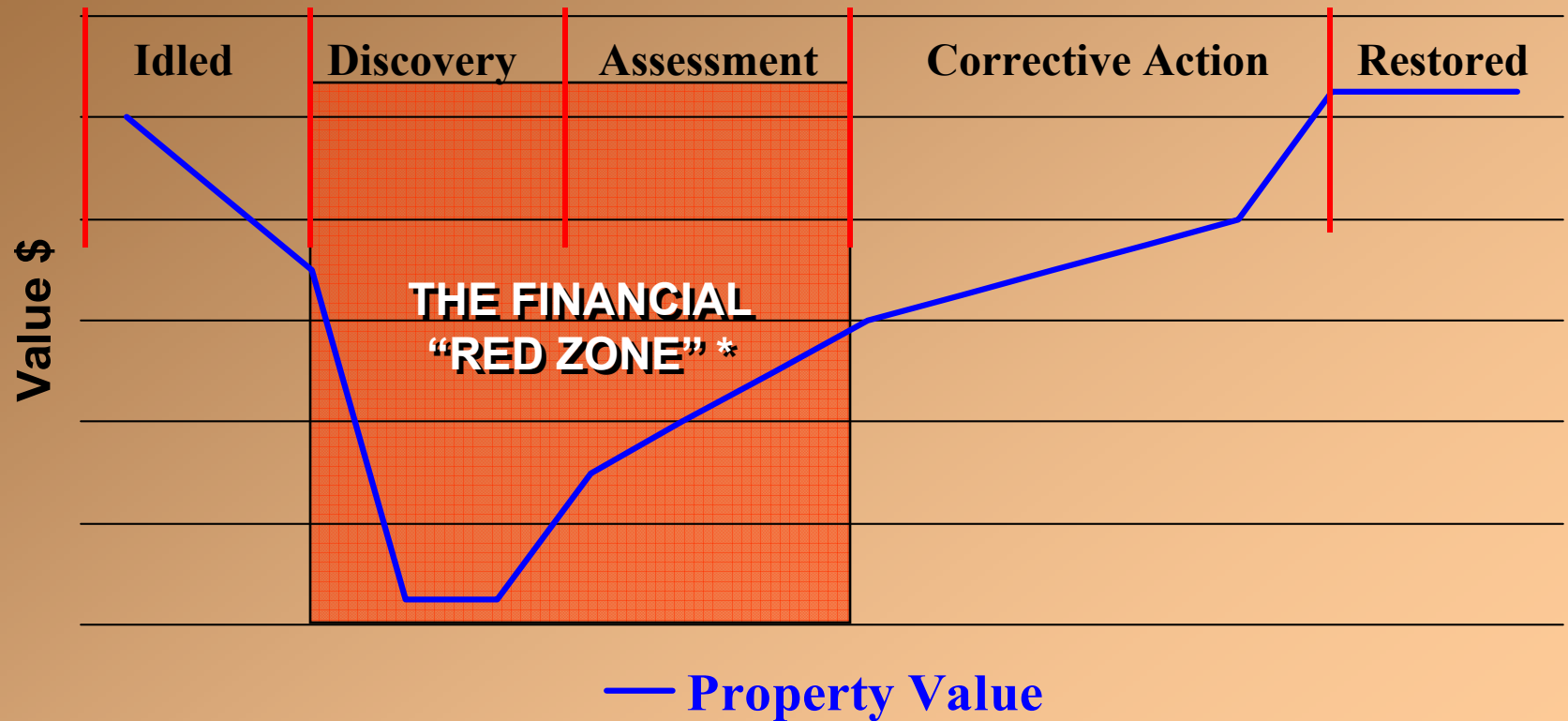


Brownfields Property Life Cycle





City Risk Period: Cost Of Assessments



* Adapted by D. Koch with Charles Bartsch, Northeast Midwest Institute



City Risk Offset: External Funding

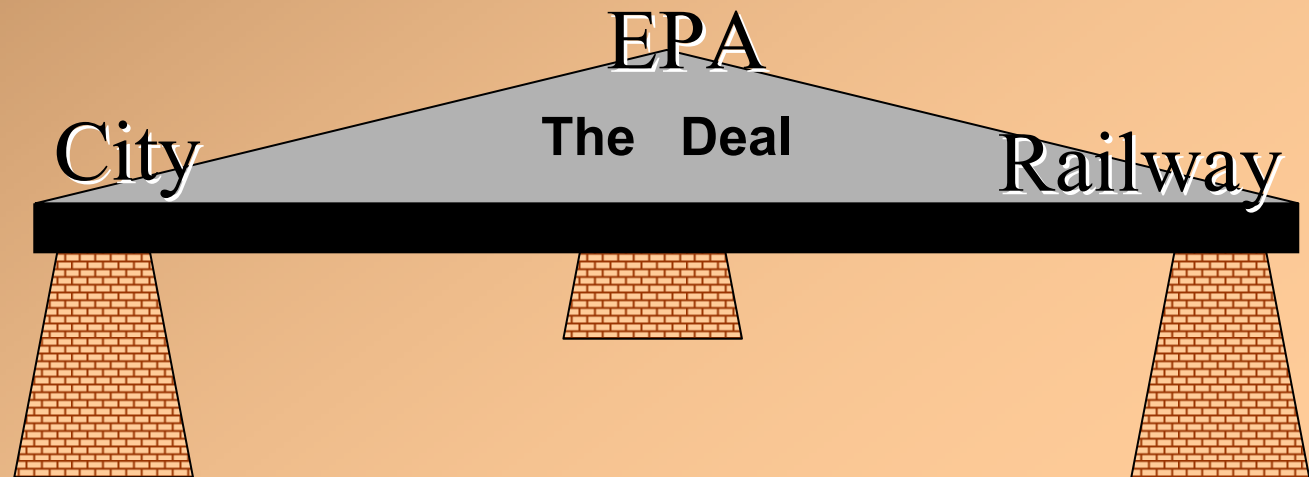
- The United States Environmental Protection Agency
 - EPA Economic Development Initiative
 - Brownfields Grants



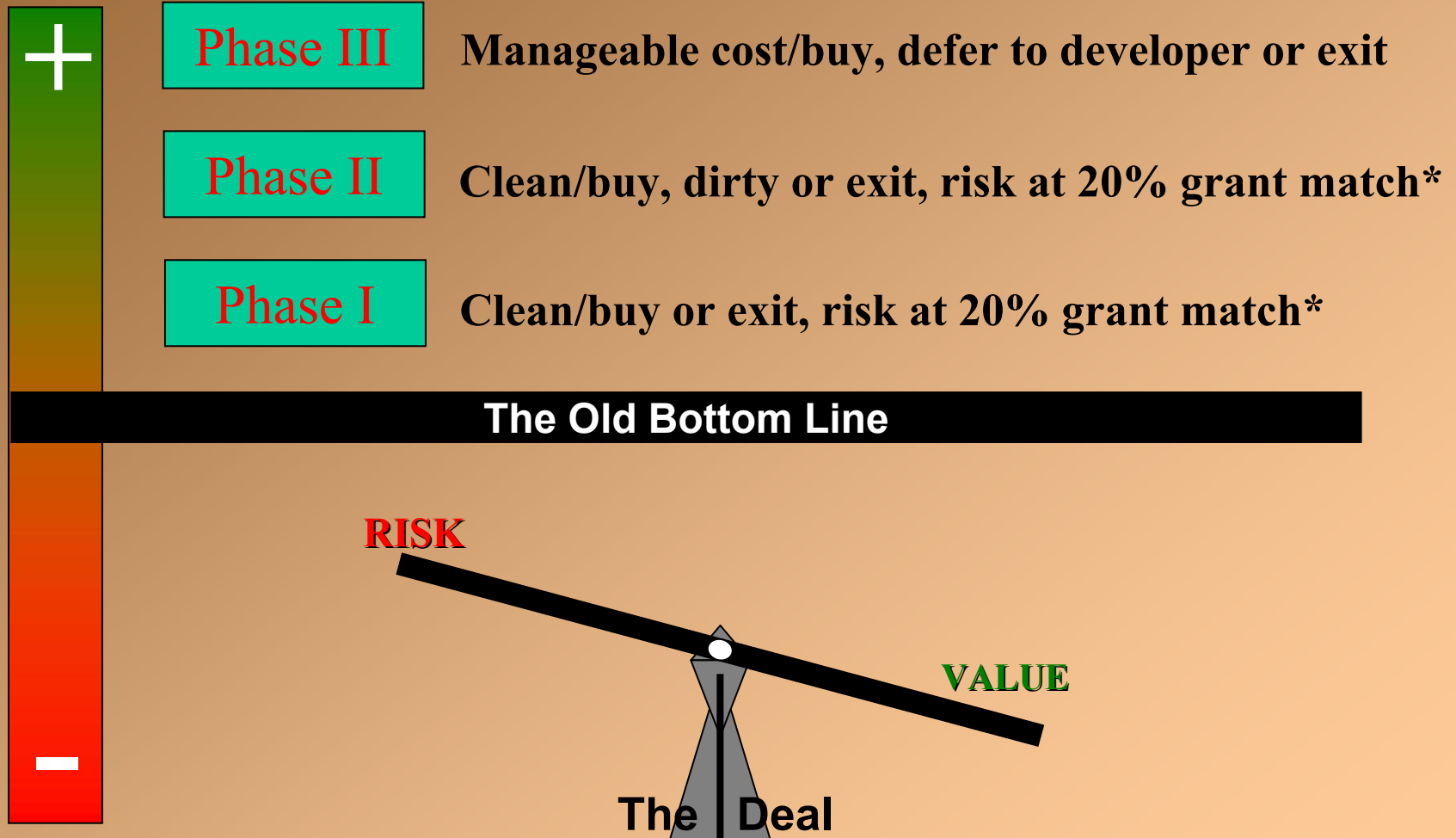


City/EPA Perspective: Stability By Regulatory Partner

- Increased data quality
- Immediate involvement / oversight
- Support as comfort letters and guidance



City Risk-To-Value To Assess



* St. Joseph Pilot, in-kind matches allowed. FY2003 EPA assessment grants have no 20% match.



RR Properties: Brownfields Public Appeal

- Although $< 20\%$ of Pilot, offer the largest centralized acreage with least major demolition
- To the public they look simple to change, “just move a few rails”
- They look idle or underused unless storing cars or moving freight
 - More than 6,000 acres, or 22%, of Brownfields just in “small city” rail yards in 202 cities

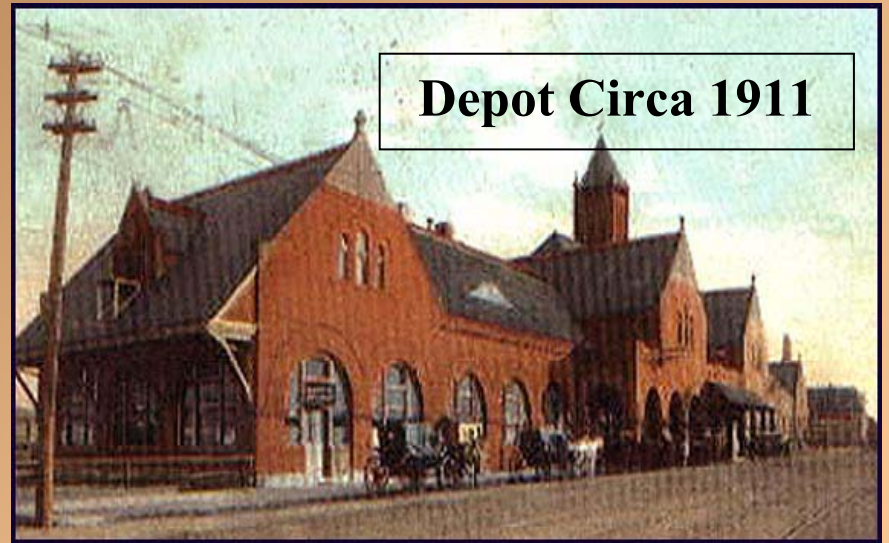


BNSF- South





BNSF- North





St. Joseph Pilot 2000: Ready To Roll

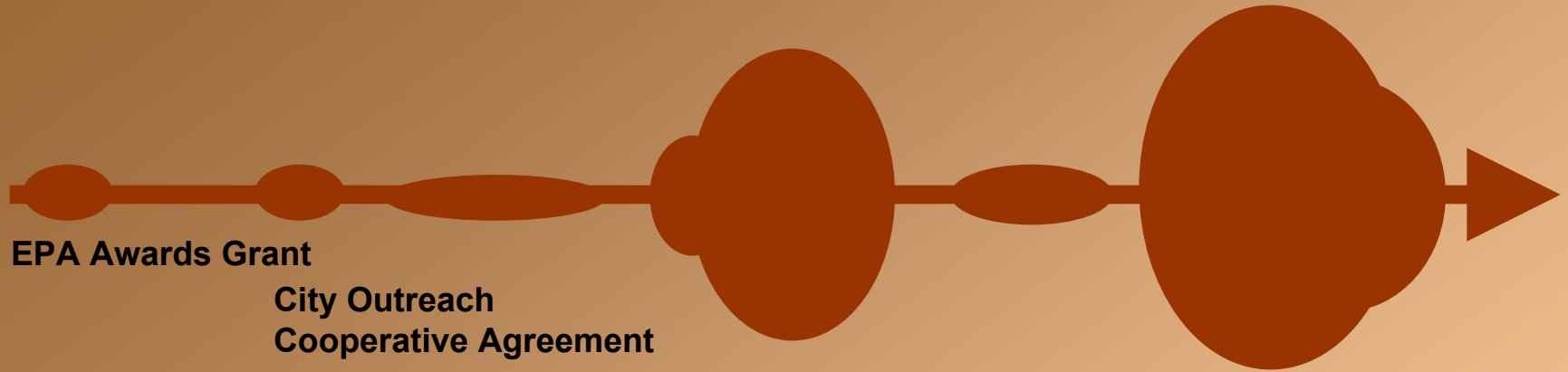
- FY2001 Pilot Grant \$200,000
- 2001 Consultant Selected
- 2001 Preliminary Planning & Phase I work
- 2002 Evaluated Old BNSF Phase II data
- 2002 approached BNSF on more testing ...



But “Nothing” Happens: For Almost 15 Months

- 2001 - 2002: Access agreements traded, negotiated, never completed
- 2002: EPA extends Pilot grant
- Community interest fades, City staff and Council turnovers
- 2003: City explores extraordinary task of condemnation against a RR





EPA Awards Grant

**City Outreach
Cooperative Agreement**

**City writes/issues RFP
Interviews Consultants
Select Consultant
Council Approves**

**Public Outreach
Access agreements
Phase I Reports
Rank sites**

**Meetings
DQO/QAPP Plans
EPA Review
Public Outreach**

**Access agreements
Work Plans
EPA Review
3Phase II Reports/Costs**

**Not
Unusual:
80% Of Work In
Last 25% of Grant**



Brownfields Perceptions: Cities Of Railroads

- Public Perceptions Were Common To Those Heard At National Conferences
 - “Uncooperative and stubborn”
 - RR yards are “contaminated by everything”
 - “In a world of their own”
 - “Think they are sitting on a gold mine”

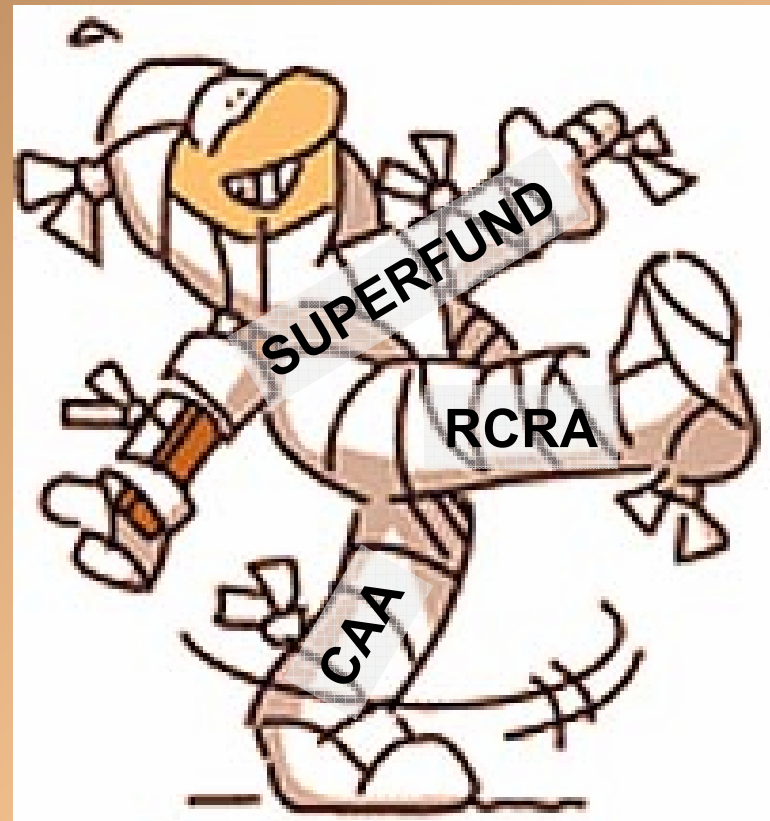


Brownfields Perceptions: Railroads of Cities

- “They want property for nothing”
- “They want us to take all the risk”
- “They expect a clean site ... after a hundred years of use”
- “They don’t understand our business”

Why Won't RR "Get On Board"?

- Some inherent skepticism of the "new" EPA
 - Not limited to RRs
- But mostly, it was about business
- City had not addressed RR's WIIFM



Traditional RR

Risk-To-Value To Assess

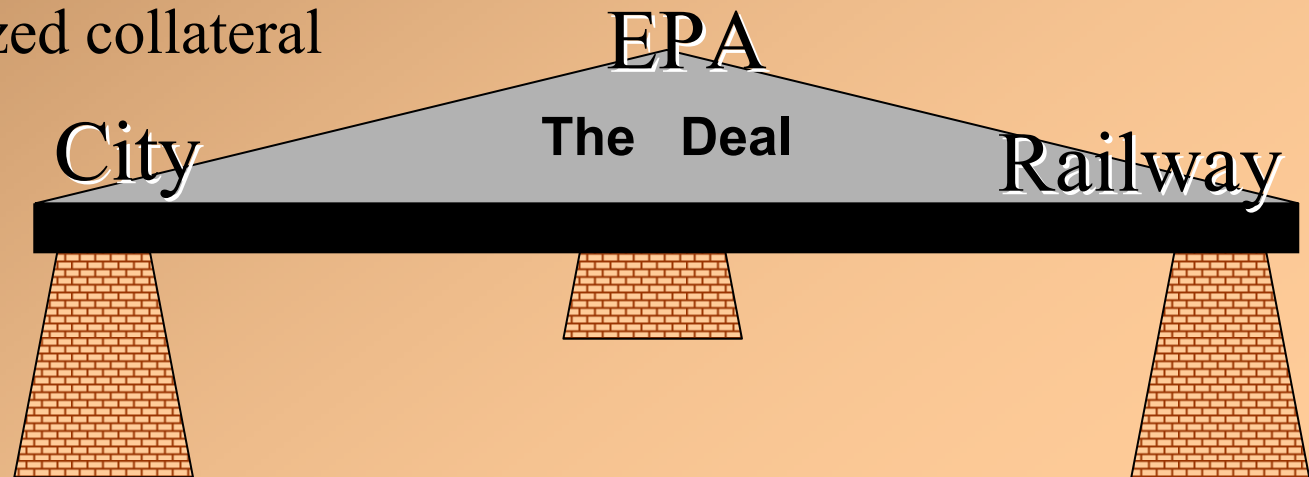




RR Perspective:

Doesn't See Stability By Regulatory Partner

- Increased programmatic levels of effort
- Public disclosure of information
- Loss of control to balance the deal
 - Enforcement
 - Stigmatized collateral

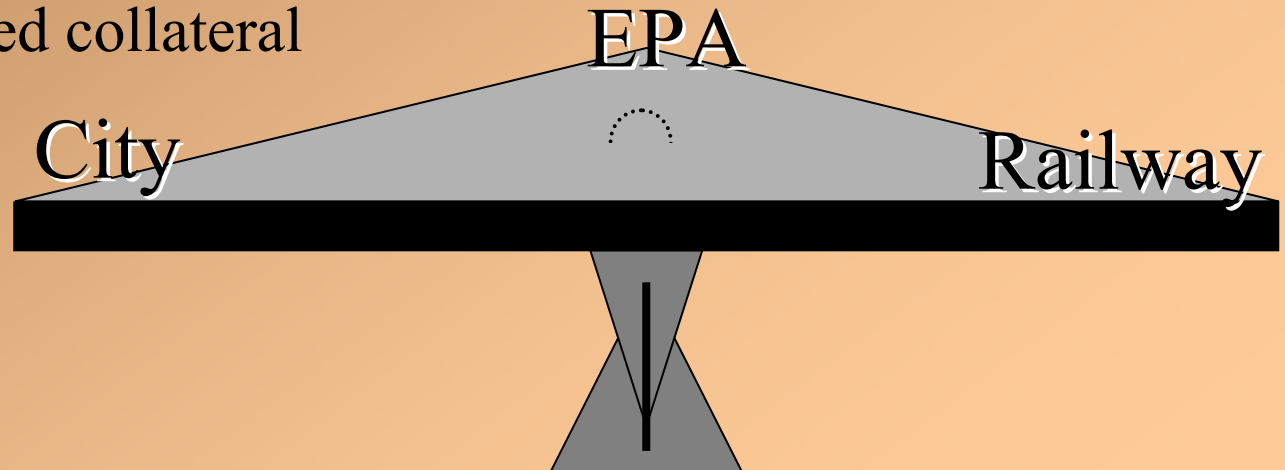




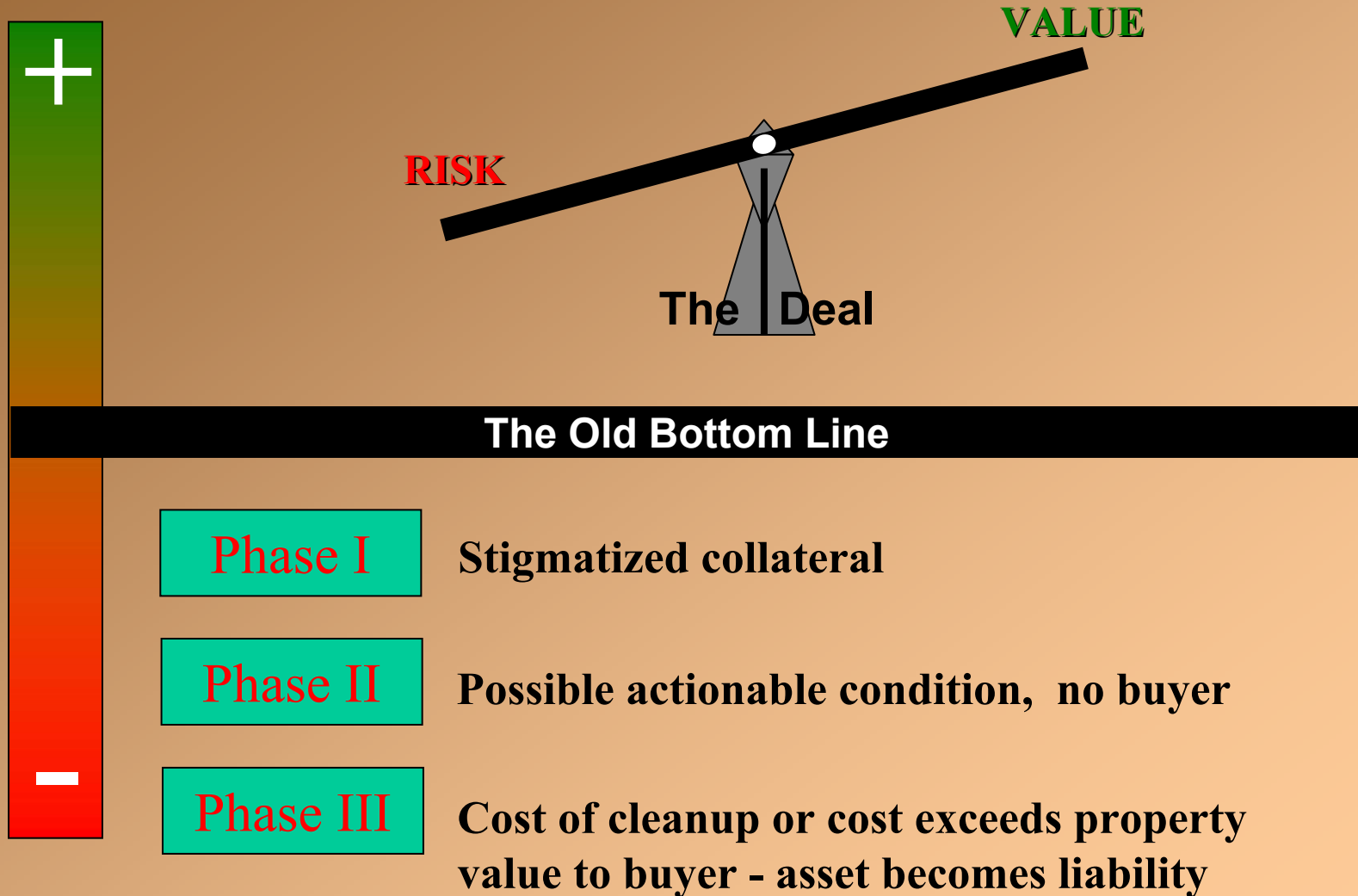
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RR Risk-To-Value Changes





WIIFM:

What 's In It For Me?

- With new City Team & approach met with multiple BNSF groups
 - Better understood RR drivers for a deal
 - Confirmed RR as part of the redevelopment solution
 - Clarified City need for only industrial/commercial property under risk-based evaluation
 - Opened discussions on what City has to offer RR to put more freight or improve operations
 - Found common goals & need for assessment
 - Identified City critical EPA & BEDI funding schedules





2003: A Year For Results

- A return to business, jointly balancing the needs of City and RR
- Completion of the preliminary Pilot cleanup planning study to provide a stronger vision
- Improved efforts to make environmental issues “just another part of the bigger deal”



2003-2004: Poised For Final Action

- Milestone joint assessment planned
 - Using existing BNSF agreements for access
 - BNSF share for petroleum issues
 - Complete final EPA grant measures of success
- Developer interest with City on South Parcel keying from Phase II / III information
- TIF District to support redevelopment



Brownfields Lesson: Understand RR Relationships

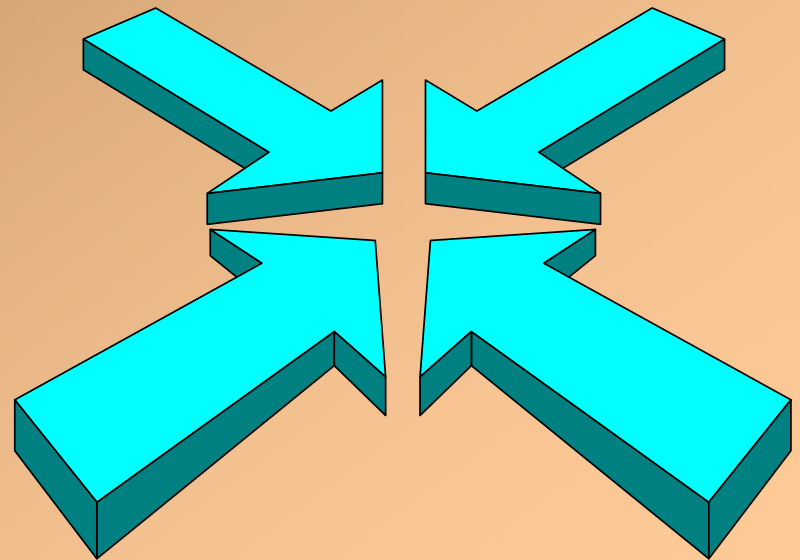
- Contacting the right people at RR is critical to successful negotiations
- Know who and when to contact, for what
 - Land Sales / Realty
 - Customer Service
 - Operations
 - Environmental
 - Legal





Brownfields Lesson: Make RR Part Of The Solution

- Philosophy of success for one is success for the other
 - Redevelopment business can be rail business
- RR may often hold keys to City obstacles or problems
 - Joint assessment





Brownfields Lesson:

#1 External Resource FY00-FY02

- **USEPA**

- Embracing economics of contaminated property and recognizing “fear of Superfund” on business
- Grant to offset City risk in the Red Zone
- Continued Support
 - City staff education
 - Continued assistance through staff turnovers by all parties
 - Allowing grant extensions
 - Technical oversight





Brownfields Lesson:

#1 Internal Challenge FY03-FY04

- **Maintaining Momentum In Economic Downturn**
 - Complete RR assessments to maintain current developer interest adjacent to BNSF-South parcel
 - Secure new developer interest
 - Meet schedules to keep existing funding from cancellation
 - EPA Pilot grant
 - Creating TIF District





Thank You

By

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